



February 27, 2007

H.R. 1066 - Depository Institution Community Development Investments Enhancement Act

Floor Situation

H.R. 1066 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Barney Frank (D-MA) on February 15, 2007, and has not been considered by any committee in the 110th Congress.

H.R. 1066 is expected to be considered on the floor on February 27, 2007.

**Note: In the 109th Congress, the House of Representatives passed similar legislation twice: the Community Development Investment Enhancements Act of 2006 (H.R. 6062) and the Financial Services Regulatory Relief Act of 2005 (H.R. 3505). The Senate did not act on either of these bills.*

Summary

H.R. 1066 restores the authority of national and state member banks to make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities and families. The bill increases banks and thrifts' authority to make community development investments that are designed to provide communities with housing, employment, and other services.

The bill permits banks and Federal thrifts' to invest in areas that are government-designated disaster areas, along with the low- and moderate-income communities. Previously, if a disaster area was not considered low- or moderate-income communities, it was not categorized as a public welfare investment.

H.R. 1066 will also help revitalize rural areas that are underserved.

Background

On September 27, 2006, the House of Representatives considered the Financial Services Regulatory Relief Act of 2006 (S. 2856), which passed by a recorded vote of 417-0 ([Roll No. 494](#)). The bill was signed into law on October 13, 2006 (Public Law 109-351). The

Act raised the maximum aggregate public welfare investment limit for a national bank from 10 to 15 percent of the bank's unimpaired capital and surplus.

The Community Development Investment Enhancements Act of 2006 (H.R. 6062) passed the House of Representatives by a voice vote on September 27, 2006. The bill also raised the maximum aggregate public welfare investment limit for a national bank from 10 to 15 percent of the bank's unimpaired capital and surplus. However, the Senate did not take any action on the bill.

On March 8, 2006, the House of Representatives considered the Financial Services Regulatory Relief Act of 2005, which passed by a recorded vote of 415 - 2 ([Roll no. 26](#)). The bill included similar language to H.R. 1066.

Existing authority for banks has already resulted in banks making more than \$16 billion of investments since the law was enacted in 1992.

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